

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations; Applications of American H Block Wireless L.L.C., DBSD Corporation, Gamma Acquisition L.L.C., and Manifest Wireless L.L.C. for Extension of Time, WT Docket No. 18-197.*

After a lengthy and painstaking review process, the Commission has correctly concluded that this transaction is in the public interest. In particular, the transaction will help secure United States leadership in 5G, close the digital divide in rural America, and enhance competition in the broadband market.

I'll start with 5G, the next generation of wireless connectivity. This transaction will provide New T-Mobile with the scale and spectrum resources necessary to deploy a robust 5G network across the United States. Specifically, its 5G network will cover 97% of our nation's population within three years of the closing of the merger and 99% of Americans within six years. What does this mean for American consumers? With New T-Mobile's network, 90% of Americans would have access to mobile broadband service at speeds of at least 100 Mbps, and 99% would have access to speeds of at least 50 Mbps.

In particular, this merger will put critical mid-band spectrum to much more productive use for 5G deployment. New T-Mobile will be far better positioned to deploy Sprint's extensive 2.5 GHz spectrum holdings than would Sprint standing alone, given that company's financial situation. Indeed, New T-Mobile's network will cover at least 88% of Americans with mid-band 5G within six years, a far wider deployment than either Sprint or T-Mobile would be able to accomplish on their own. So let's be clear: A vote against this transaction is a vote against strong, swift mid-band 5G deployment.

Turning to rural America: This transaction will also help close the digital divide. New T-Mobile's 5G network will reach deep into rural areas, with 85% of rural Americans covered within three years and 90% covered within six years. Moreover, its network will cover at least two-thirds of our nation's rural population with high-speed, mid-band 5G, which would strengthen our overall economy and improve the quality of life in many small towns across the country. This Commission is committed to ensuring that all Americans benefit from the transformative impact of 5G, not just those living in big cities like New York City and Los Angeles. And this transaction is an important step toward accomplishing that goal. So let's be clear: A vote against this transaction is a vote against ensuring that rural Americans are beneficiaries, as opposed to spectators, of the 5G innovation to come.

And finally, this transaction will enhance competition in a number of ways. New T-Mobile will make the mobile broadband market more competitive in large swaths of rural America where neither Sprint nor T-Mobile is currently a strong competitor to AT&T and Verizon. New T-Mobile will make more competitive the enterprise wireless market, where neither Sprint nor T-Mobile is currently a strong competitor to AT&T and Verizon. And it will provide more competition in the home broadband market, by allowing New T-Mobile to offer widely an in-home broadband product that would give many Americans another option for residential broadband service.

To be sure, there are some who have claimed that this transaction would harm competition, arguing that it would reduce the number of national wireless carriers from four to three. But the record makes clear that is a simplistic, backward-looking claim that doesn't capture the reality of today or tomorrow. For example, as described above, in many rural parts of our country, this transaction would actually increase the number of meaningful competitors in the market from two to three. Across the United States, this transaction would increase the number of strong competitors for many quality-conscious consumers from two to three. And again, as we emerge into a 5G environment, this transaction

would ensure a strong third competitor with the resources necessary to develop spectrum and infrastructure assets needed for a robust nationwide 5G network (remember: the two largest companies in this space together have over 90% of the free cash flow in the entire industry). So let's be clear: A vote against this transaction is a vote against the creation of a strong 5G competitor.

I do agree that for price-conscious consumers in urban areas, this transaction, had it been approved without conditions, would have run the serious risk of harming competition. And that is why I insisted that T-Mobile and Sprint divest Boost Mobile, Sprint's largest pre-paid brand, and agree to a series of conditions to ensure that Boost would remain a strong and independent competitor in the wireless marketplace following the transaction. With this structural remedy, we have eliminated the potential for competitive harm while preserving the transaction's many benefits.

As we analyze the competitive effects of this transaction, it is also important to recognize that the wireless marketplace is quite dynamic. It is a significant mistake to adopt a backward-looking view and assume that the marketplace will be the same tomorrow as it is today. For example, while Sprint is not on the brink of financial collapse, there are serious questions about how strong a competitor it can be in the years to come on a standalone basis.

For all of these reasons, this transaction is in the public interest. It would bring the benefits of the next generation of wireless technology to American consumers and advance American leadership in 5G. It would help millions in rural America benefit from high-speed 5G mobile broadband service. And it would promote competition. That's why both the FCC and the Department of Justice have approved this transaction, and that's why I hope that it is consummated soon.

Finally, I want to thank the amazing staff of the Federal Communications Commission (as well as those detailed from the Department of Justice) who put in countless hours reviewing the extensive record and bringing this proceeding to the right conclusion for the American public: Jim Bird, Ashley Boizelle, Babette Boliek, Jonathan Campbell, Steven Carpenter, Saurbh Chhabra, Matthew J. Collins, Kimberly Cook, Nicholas Copeland, Patrick DeGraba, Monica DeLong, Judith Dempsey, William Dever, Connie Diaz, Stacy Ferraro, Ben Freeman, Chris Gao, Garnet Hanly, Kathy Harris, Jonathan Henly, Pramesh Jobanputra, Eugene Kiselev, David Krech, Paul Lafontaine, David Lawrence, Katherine LoPiccolo, Marcus Maher, Charles Mathias, Kate Mataves, Sara Mechanic, Murtaza Nasafi, Susan OConnell, Robert Pavlak, Joel Rabinovitz, Linda Ray, Ronald Repasi, Jim Schlichting, Dana Shaffer, Sharif Shahrier, David Sieradzki, Ziad Sleem, Chris Smeenck, Michael C. Smith, Max Staloff, Donald Stockdale, Cecilia Sulhoff, Sean Sullivan, Patrick Sun, Thuy Tran, Brenda Villanueva, Weiren Wang, Ramon Williams, Aleks Yankelevich, and Morasha Younger.